

Application No. A.11-05-024

Exhibit No: _____

Witness: Williams, Sandra

**PREPARED REPLY TESTIMONY OF SANDRA WILLIAMS
ON BEHALF OF SAN DIEGO GAS & ELECTRIC COMPANY'S
ENERGY SAVINGS ASSISTANCE PROGRAM PLANS AND
BUDGETS FOR PROGRAM YEARS 2012, 2013 AND 2014**

Before the Public Utilities Commission
Of the State of California

December 9, 2011

1 **I. INTRODUCTION**

2 Pursuant to the September 26, 2011 Assigned Commissioner and Administrative Law
3 Judge’s Joint Scoping Memo and Ruling, San Diego Gas & Electric (“SDG&E”) hereby submits
4 reply testimony to the opening testimonies of parties submitted on November 18, 2011.

5 **II. SUMMARY OF SDG&E’S OPENING TESTIMONY**

6 The following summarized the Opening Testimony of Sandra Williams on behalf of
7 SDG&E’s proposed program year (“PY”) 2012-2014 Energy Savings Assistance (“ESA”) Program¹
8 plans and budgets, submitted on May 16, 2011.

9 SDG&E respectfully requested Commission approval of the ESA Program
10 plans for PY2012, PY2013, and PY2014 as described in the Opening Testimony and
11 authorize the following:

- 12 1. Approval to continue its existing ESA Program into 2012, using PY2012
13 program funds, should the Commission be delayed in issuing a decision in this
14 proceeding before year-end 2011;
- 15 2. Count program achievements towards PY2012 accomplishments;
- 16 3. Approval to shift funds in the ESA Program consistent with the fund
17 shifting authority in D.08-11-031 and as modified by D.10-10-008;
- 18 4. Approval of the mix of measures reflected in Attachments A-6 and A-7 for
19 ESA Program;
- 20 5. Approval of the outreach and marketing elements requested;
- 21 6. Approval to continue the integration and leveraging efforts;
- 22 7. Approval to include one new measure to the ESA Program mix of
23 measures to be offered to eligible customers: the Smart Strip to reduce the customers’
24 energy consumption;
- 25 8. Approval to revise requirements for refrigerator replacements from pre-
26 1993 to pre-1999;
- 27 9. Approval to continue using the methodology adopted for the eligible
28 population as revised;
- 29 10. Approval of a statewide impact evaluation study for the 2012-2014
30 program cycle, and lastly;

1 11. Approval of a statewide energy education assessment study for PY2012-
2 2014.

3 III. DISCUSSION

4 A. PROGRAM ELIGIBILITY GUIDELINES

5 The Commission, in Decision (“D.”) 05-10-044, established income eligibility
6 guidelines to determine whether a household is eligible to participate in ESA Program. The
7 Commission’s income eligibility guidelines require and directed utilities to make the income
8 eligibility requirements for the ESA Program consistent with CARE.¹ The Commission’s
9 income eligibility guidelines require that when determining income eligibility, the ESA
10 Program must assess the total household income. For purposes of the program income
11 eligibility, income is defined as specified in General Order 153, Section 2.1.52 (effective May
12 3, 2007): “all revenues, from all household members, from whatever source derived, whether
13 taxable or non-taxable, including, but not limited to: wages, salaries, interest, dividends,
14 spousal support and child support, grants, gifts, allowances, stipends, public assistance
15 payments, social security and pensions, rental income, income from self-employment and
16 cash payments from other sources, and all employment-related, non-cash income.” In
17 Ordering Paragraph 3 of D.99-07-016, the Commission determined that household income
18 includes “income derived from such assets, such as interest and dividend, and income derived
19 from the gain from their sale.” In the same decision, the Commission determined that
20 household income excludes “liquid assets,” “borrowed monies, or monies transferred from
21 one checking, savings, or similar account to another account.”

22 In its definition of income, the Commission includes income sources such as public
23 assistance payments, military family allotments, grants, and allowances.

24 However, in its testimony, National Consumer Law Center (“NCLC”), National
25 Housing Law Project (“NHLP”) and California Housing Partnership Corporation (“CHPC”) recommend that “housing subsidies” be removed as a source of income in the ESA Program
26 income eligibility guidelines and that the list of income eligible buildings developed by the
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¹ D. 05-10-044 at p.13. Prior to 2005, the Commission, in Resolution E-3254, dated January 21, 1992, determined that it was reasonable to conform the Low Income Weatherization Program (the former name of the Energy Savings Assistance Program) to the ULTS/LIRA Standards and permitted the utilities to revise their LIW program levels accordingly. (Finding 5 and Ordering Paragraph 3.)

1 U.S. Department of Housing (“HUD”) for use in its weatherization assistance program
2 (“WAP”) be used as a means to expedite enrollment in the ESA Program² which would
3 “require conformity of the Energy Savings Assistance Program definition of income to that
4 agreed to by the U.S. Department of Energy (DOE) and HUD”.³ Currently the investor-
5 owned utilities (IOUs) are faced with the Area Median Income which is different from one
6 county to another. The county-by-county structure of public housing programs does not align
7 with California’s statewide CARE and LIEE income requirements, and the IOUs have not
8 been able to reach a consensus on how to address this problem. Although most or all
9 extremely low income households qualify for LIEE and CARE, depending on county Area
10 Median Income low income and even very low income households may not qualify for CARE
11 and LIEE.

12 SDG&E may consider supporting a resource that would assist in identifying income-
13 qualified customers for participation in the ESA Program. However, in order for such a
14 resource to be useful, it must align with current income eligibility guidelines for the ESA
15 Program as established by the Commission.

16 **B. CALCULATION OF UNWILLING AND INELIGIBLE** 17 **CUSTOMERS**

18 SDG&E developed its estimates for unwilling and ineligible customers based on
19 customer feedback as reported by contractors as a means of further refining estimates applicable
20 to its service territory. SDG&E compiled specific criteria to determine customer’s willingness to
21 participate. The data was obtained through various outreach efforts that generated over 38,000
22 leads from customers in 2009 and 2010. There were a variety of reasons why customers were
23 unwilling or unable to participate in the program. However, SDG&E narrowed these findings to
24 those customers which specifically affirmatively stated they were not interested, customers
25 unwilling to provide income documents, customers unable to provide proof of income, and other
26 reasons presented in Table 1 of the Direct Testimony of Sandra Williams. Based on the 2009-
27 2010 data, SDG&E projects that 20% of customers will be unwilling or unable to participate in
28 the ESA Program. Even so, to account for the likelihood that the statewide branding and
29 additional marketing efforts may help to reduce SDG&E’s unwilling customer estimate, the

² NCLC/NHLP/CHPC Testimony, at page WW A-1

³ NCLC/NHLP/CHPC Testimony, at page MS-9

1 likelihood that the economy and unemployed rate will improve, SDG&E did not propose to use
2 the 20% estimate of unwilling customers. Instead, SDG&E reduced the estimate from 20% to be
3 conservative in its projection and projects that 15% of customers will be unwilling or unable to
4 participate in the program during PY2012-2020.

5 The Energy Efficiency Council (“EEC”) in its testimony, states that IOUs estimates of
6 customers unwilling to participate is “too aggressive and inaccurate”.⁴ In addition, several
7 parties oppose the IOUs’ proposed revisions to the Commission adopted methodology for
8 estimating ESA Program eligibility for various reasons. For example, the EEC states that
9 customers should not be deemed “refused” or “ineligible” because they are not told that they
10 only have one chance to enroll.⁵ SDG&E does not believe this characterization is correct.
11 SDG&E proposes to deem a household as “refused” only if a customer has expressly rejected the
12 program or if a customer has not responded to several contact attempts by SDG&E.

13 SDG&E believes that the inclusion of “Customer unable to provide proof of income
14 documentation” in the calculation of unwilling and ineligible customers is reasonable because
15 this is a program requirement pursuant to Section 2 of the Statewide Low Income Energy
16 Efficiency Program Policy and Procedures (“P&P”) Manual.⁶ However, if the Commission
17 rejects SDG&E’s proposed calculation of unwilling and ineligible customers and retains the 5%
18 factor, then SDG&E estimates that its budget requires an increase of approximately \$355,000 to
19 fund the additional 316 homes that are not reflected in SDG&E’s proposed budget of
20 \$22,044,929.

21 **C. MARKETING, EDUCATION AND OUTREACH (ME&O)**

22 The Black Economic Council, Latino Business Chamber of Greater Los Angeles,
23 and the National Asian American Coalition (collectively the “Joint Parties”) recommend that
24 SDG&E conduct outreach in Tagalog or Taglish and any other South East Asian or Pacific
25 languages in which the population is 50,000 or over in a utility service area to be consistent with
26 Assemblyman Mike Eng’s legislation, AB1088, which requires disaggregation of data by Asian
27 sub-group.⁷ Although SDG&E is not subject to AB 1088⁸, SDG&E provides outreach and

⁴ EEC testimony at p.7.

⁵ EEC testimony at p.8.

⁶ See Section 2.2.3.1 Actual Income Documentation Required shown in P&P Manual, at p.13.

⁷ Joint Parties Testimony, at p. 14.

1 marketing efforts in Spanish and Tagalog, which are the only two languages in San Diego
 2 County spoken by over 50,000 people (other than English).⁹ For example, during program year
 3 2010, Mabuhay Alliance, a local San Diego community-based organization (“CBO”), serving the
 4 Asian-population, conducted an exploratory marketing and outreach effort in Chinese,
 5 Vietnamese and Tagalog. Mabuhay Alliance found that most Tagalog-speaking customers not
 6 only speak English but prefer to conduct business in English.¹⁰ For the small population
 7 speaking Chinese or Vietnamese¹¹, Mabuhay found that customers use the in-language
 8 application as a guide however, prefer to complete the English-language form.

9 In 2011, SDG&E’s outreach efforts to Tagalog speaking customers included in-language
 10 transit shelter ads, on-line Tagalog applications, and partnerships with organizations that serve
 11 the Filipino-American communities, such as the Union of Pan Asian Communities (“UPAC”)
 12 and Operation Samahan. SDG&E has continued to provide the following in-language outreach
 13 channels, which include various media and outreach:

Language	Type	Example
Vietnamese	Outdoor	transit shelter ad
Spanish	Outdoor	transit shelter ad
Tagalog	Outdoor	transit shelter ad
Chinese	Print	newspaper ad
Vietnamese	Print	newspaper ad
Spanish	Radio	on air customer testimonial segments
Spanish	Television	30s and 15s TV commercials
Vietnamese	Outreach	Program applications, posters, fliers and informational DVD
Arabic	outreach	Program applications, posters and informational

⁸ AB 1088 requires that “a state agency, board, or commission that directly or by contract collects demographic data to include data on specified collection categories and tabulations in every demographic report on ancestry or ethnic origins of California residents that it publishes or releases on or after July 1, 2012.”

⁹ The source of the data is the “American Community Survey 5-Year Summary (Small Area Geography) file, Census Tract Data 2009”. Based on this information, the linguistic demographics include Spanish at 692,733 and Tagalog at 84,313. However, these numbers include all people over 5 years of age and older and does not distinguish English-language proficiency.

¹⁰ Per telephone discussion between SDG&E and Mabuhay Alliance in December 2010.

¹¹ Based on census tract data, 24,547 (or roughly 1%) San Diego County residents speak Chinese, and 31,488 (or roughly 1.2%) speak Vietnamese.

		DVD
Spanish	Outreach	Program applications, posters, fliers and informational DVD
Thai	Outreach	CARE application
Russian	Outreach	CARE application
Tagalog	Outreach	CARE application
Armenian	Outreach	CARE application
Chinese	Outreach	CARE application
Korean	Outreach	CARE application
Khmer	Outreach	CARE application
Farsi	Outreach	CARE application
Hmong	Outreach	CARE application

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As stated in its 2012-2014 Program Application, “SDG&E plans to continue using a multi-lingual multi-cultural marketing and outreach effort that includes contracting with a third party to provide services and collateral that is culturally sensitive and language appropriate.”¹²

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Customer Incentive

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SDG&E proposes a customer incentive proposal to help retain customers who initially sign up for the program but do not keep their scheduled appointments. The customer incentive would be provided after all appointments are complete. The incentive proposed is a \$50 grocery store gift card.

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In testimony, the Division of Ratepayer Advocates (“DRA”) recommends that the Commission deny SDG&E’s Customer Incentive proposal, alleging: 1) DRA’s bill savings proposal would provide enough incentives for customers to keep their appointments, and 2) SDG&E did not demonstrate the need for incentives to reach its 2012-2014 goals.¹³

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DRA’s recommendation should be rejected because DRA fails to support its claims that its bill savings proposal (which the Commission has not adopted) will provide “enough” customer incentives.

¹² Direct Testimony of Sandra Williams at p. SW-27.

¹³ DRA Testimony, at p. 2-35.

1 In addition, SDG&E anticipates enrollments will become increasingly more difficult in
2 the next program cycle, and the value that customers associate with program measures may be
3 contributing to this difficulty. Cancelled or missed appointments cost the contractors and
4 ultimately the program losses in productivity and overhead costs associated with deploying
5 contractor crews to a customer home and the customer does not show up for the appointment.
6 By offering a nominal stipend to the customer, SDG&E believes customers will view the overall
7 program offering as having greater value. A secondary benefit may be realized as customers
8 share their program experience with friends, family, and neighbors which SDG&E believes will
9 generate additional leads.

10 **D. PROGRAM MEASURES**

11 **1. Energy Education**

12 Pursuant to Section 4.4 of the P&P Manual, in-home energy education is provided to all
13 income-eligible applicants whose dwellings require the minimum number of measures, using
14 forms and checklists provided by the utilities. .

15 The EEC in its testimony recommends that all IOUs implement paperless systems
16 through the use of tablet PCs or Netbook computers.¹⁴ While not opposed to implementing
17 streamlined processes, SDG&E did not budget to implement this paperless system in its
18 Application and would require additional funding to support this activity. SDG&E estimates that
19 approximately an additional \$340,000 would be required if the Commission requires SDG&E to
20 implemented a paperless systems in the 2012-2014 program cycle.

21 The EEC also recommends that the IOUs use DVDs to educate customers about the
22 enrollment process prior to the enrollment appointment.¹⁵ SDG&E notes that these DVDs would
23 need to be available in various languages and would require a process to provide this education
24 in alternate formats for hearing and visually impaired customers – which would increase the
25 costs. If the Commission adopted this recommendation, SDG&E estimates that an additional
26 \$400,000 would be required resulting in a 32% increase to the In-Home Education budget.

27 **2. Furnace and Water Heater Repair and Replacement**

¹⁴ EEC Testimony, at p. 9..

¹⁵ EEC Testimony, at p. 7.

1 Civil Code Section 1941.1 requires heating and domestic hot water to be the
2 responsibility of the landlord. The Commission in D.07-12-051, and reaffirmed in D.08-11-031,
3 holds its requirement that heating and water heating measures in rental units are the
4 responsibility of the landlord and repair or replacement of those measures should not be paid
5 through the ESA Program.¹⁶

6 Notwithstanding the current Civil statute and Commission D.07-12-051 and D.08-
7 11-031, several parties recommend the program rules be revised to permit all qualified
8 households to be eligible to receive furnace repair and replacements.¹⁷ Specifically,
9 NCLC/NHLP/CHPC state that they are aware of the Commission’s determination in D. 08-11-
10 031, and suggest that the “prohibition on heating and hot water replacements and repairs in D.08-
11 11-031 may be hindering important energy efficiency savings that could otherwise be
12 obtained.”¹⁸ Under the current ESA Program statewide policy, furnace replacements are allowed
13 for those furnaces that are operational. If a non-operational furnace is allowed to be replaced it
14 results in increased energy usage so SDG&E questions the assertion from NCLC/NHLP/CHPC
15 that “D.08-11-031 may be hindering important energy efficiency savings that could otherwise be
16 obtained”. SDG&E believes there may be an alternative to encourage landlords to replace or
17 upgrade furnaces and water heaters and gain energy savings. SDG&E believes energy savings
18 may be realized through its proposed integration between the ESA program and Energy Upgrade
19 California (“EUC”) energy efficiency program.

20 Under the EUC program, landlords would be eligible to receive an incentive
21 under EUC to replace inefficient furnaces and water heaters with new more efficient measures.
22 The difference between the proposal of NCLC/NHLP/CHPC and SDG&E’s proposal is that
23 under SDG&E’s EUC program, landlords will need to pay for the purchase of the equipment,
24 although at a lower cost due to the incentive provided by SDG&E’s EUC energy efficiency
25 program. SDG&E fully supports this avenue for landlords to pursue energy efficiency savings

¹⁶ Ordering Paragraph 20 of D.08-11-031 states “[T]he provisions of the foregoing ordering paragraphs regarding furnace repair and replacement and water heater repair and replacement are subject to the holding in D.07-12-051 that landlords are responsible, pursuant to the warranty of habitability, for providing heating and water heating to their tenants. No cost of furnace repair and replacement or water heater repair and replacement shall be borne by the LIEE program in rental housing.”

¹⁷ Testimony of NCLC/NHLP/CHPC at p. MS-10

¹⁸ Testimony of NCLC/NHLP/CHPC at p. MS-17

1 which is consistent with the Commission directives that the landlord (and not ratepayers) be
2 responsible for furnace and water heater replacement.

3 DRA recommends that non-operational (red-tagged) furnaces and water heaters
4 be made operational and this could be expedited by establishing a co-pay system, which is
5 seemingly also inconsistent with Commission D.07-12-051 and D.08-11-031. By contrast,
6 SDG&E considers that its proposed integration with energy efficiency programs to provide
7 landlord incentives to replace furnaces and water heaters is a better alternative to having utility
8 ratepayers bear the entire costs of these measures.

9 **3. High Usage Customers**

10 DRA proposes that “IOU’s should provide a measure mix which prioritizes bill
11 savings”.¹⁹ Specifically, DRA states that IOUs should focus on measures that provide the most
12 energy savings and that it should target households based on climate zones and household energy
13 use. DRA’s proposal runs counter to the Commission’s directive in D. 08-11-031 which ordered
14 the IOUs to provide all feasible measures and stated that “customers should not be segmented by
15 energy usage in the direct installation on measures.”²⁰ The Commission highlighted the
16 transiency of the low income population as a rationale that supports the installation of all feasible
17 measures and that the “high rate of transiency undermines the rationale for segmenting each
18 household for measure installation purposes by energy usage. In its 2009-2011 Low Income
19 Application, SDG&E’s ESA Program plan and design was similar to the proposal of DRA.
20 SDG&E’s 2009 - 2011 program proposal was designed as a customized approach to place a
21 greater emphasis on providing measures that save energy, reduce customer energy bills, and
22 could further the Commission’s objective to treat the ESA Program as a reliable energy resource,
23 while taking into consideration low income customers’ quality of life.²¹ SDG&E’s proposal was
24 designed to achieve the Commission’s programmatic initiative to provide 25% of all eligible and
25 willing customers the opportunity to participate in the ESA Program. However, the Commission
26 in D.08-11-031 did not authorize SDG&E’s program design and instead directed the IOUs to
27 provide all feasible measures.

¹⁹ Testimony of K. Camille Watts-Zagha on Behalf of the Division of Ratepayer Advocates, at p 2-11.

²⁰ D.08-11-031 at p.32.

²¹ Energy efficiency is the first order loading in the State’s Energy Action Plan.

1 In addition, in D.08-11-031 the Commission adopted a “Whole Neighborhood
2 Approach (“WNA”) to serving customers which focuses on serving *all* willing and eligible
3 customers in a targeted geographic area. SDG&E supports the WNA approach as one tool
4 among many to enrolling and delivering program services to qualified customers. DRA’s
5 proposal to only target high usage customers at the expense of remaining customers will
6 undermine SDG&E’ ability to serve all willing and eligible customers under the ESA Program
7 by 2020.

8 **4. Add back measures proposed to be retired**

9 SDG&E proposes to retire three measures from the mix of measures offered to
10 customers for PY2012-2014: Central Air Conditioners, Duct Testing and Sealing, and
11 Evaporative Cooler Covers. SDG&E proposes to retire these measures because they did not pass
12 D.08-11-031’s benefit cost ratio threshold of 0.25 in any climate zone, or any dwelling type
13 within SDG&E’s service territory. Several parties propose that the Commission deny all the
14 IOUs’ requests to retire measures. However, in testimony, these parties fail to account for the
15 budget implications. Although SDG&E does not necessarily advocate eliminating any measures
16 from its program, it proposed to do so only due to the requirements of D.08-11-031. Even so, if
17 the Commission changes course and requires SDG&E to add back to its measure mix these three
18 measures, it will result in an increase of approximately \$600,000 to the 2012-2014 ESA Program
19 budget proposal.

20 **5. Install pre-2001 refrigerators**

21 The current Commission policy, as adopted by Commission Ruling issued on
22 August 31, 2010 allows the replacement of refrigerators manufactured prior to 1993 and, among
23 other things, authorizes that “one of the refrigerators replaced under the program must be a
24 primary refrigerator”²². In its testimony, DRA proposes that replacement of refrigerators
25 manufactured between 1993 and 2000 be contingent on the removal of any secondary
26 refrigerator in use in the treated household. SDG&E is not clear on what DRA is proposing.
27 Seemingly, DRA suggests that if there is no 2nd refrigerator in the home, the home cannot qualify
28 for refrigerator replacement even though it would result in energy savings. DRA also
29 recommends that SCE’s proposal regarding the replacement of secondary refrigerators be

²² Joint Ruling of Assigned Commissioner and Administrative Law Judge Approving the California Statewide Low Income Energy Efficiency Policy and Procedures Manual, dated August 31, 2010, Section 7.3.19.

1 extended to all utilities. If the Commission adopts DRA suggestion, the recommendation should
2 not be applicable to SDG&E because SDG&E's program already allows replacement of 2nd
3 refrigerators in certain circumstances.²³
4

5 **6. Water conservation measures**

6 SDG&E's ESA program offers low flow shower heads and faucet aerators since the
7 program's inception in 1991.

8 Niagara Conservation Corporation ("Niagara"), in testimony, recommends that the
9 Commission should require all the IOUs to install shower heads, faucet aerators, and ultra high
10 efficiency toilets using ESA Program funds. While shower heads and faucet aerators are
11 designed to save energy because they result in reduced hot water usage, the high efficiency
12 toilets reduce cold water usage and thus there are no direct energy savings associated with this
13 measure. While there are likely embedded energy savings from avoiding additional water
14 pumping, currently the means for measuring these embedded savings and including them in a
15 cost effectiveness analysis is not available for the ESA Program.

16 The San Diego County Water Authority (SDCWA) is a public agency serving the
17 San Diego region as a whole sale supplier of water from the Colorado River and Northern
18 California. The SDCWA serves 95% of all the San Diego County residents through their partner
19 agencies. Currently in San Diego County, the SDCWA does not offer any rebates. SDCWA has
20 indicated to SDG&E that it estimates that more than 500,000 low flow toilets were installed
21 through their rebate program.

22 **E. COST EFFECTIVENESS & ENERGY SAVINGS**

23 SDG&E agrees with the National Resources Defense Council ("NRDC") and other
24 parties that resource and equity measures should be treated differently in the cost effectiveness
25 analysis. SDG&E also supports NRDC's suggestion to modify the cost effectiveness and
26 measure assessment methodologies for the next program cycle and beyond. To accomplish this
27 task, as well as to assess other program issues, SDG&E supports the establishment of a statewide
28 working group comprised of representatives from each IOU, Energy Division representatives,
29 and consumer and industry representatives.

²³ SDG&E Advice Letter 1951-E dated December 12, 2007.

1 However, SDG&E opposes DRA’s suggestion to rerun the cost effectiveness analyses for
2 the PY2012 to 2014 program application using different energy savings estimates, installation
3 quantities, escalation rates, or other parameters. SDG&E believes that chasing an extra point or
4 two above the arbitrarily set 0.25 benchmark is a costly exercise and that more fundamental
5 issues surrounding the cost effectiveness methodology should be assessed and resolved before
6 redoing these analyses. Rather, SDG&E supports a forward thinking review of the cost
7 effectiveness analysis to inform the 2015-2017 program cycle.
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9 **F. WORKFORCE EDUCATION & TRAINING**

10 In support of the CEESP’s goals for Workforce education and Training, SDG&E
11 proposes to continue development of the Workforce Readiness Initiative which will entail
12 indentifying and promoting programs that support the goal to prepare a future workforce and
13 programs that address issues related to the growing gap in education proficiency primarily in
14 disadvantaged communities. Other WE&T strategies include increasing the awareness and
15 promote the utility industry career opportunities and designing and delivering training to
16 minority and female candidates in the community to help them become more marketable for
17 entry level and trade positions.

18 In its testimony, the Joint Parties recommend that the IOUs “focus workforce education
19 & training efforts on Diverse Business Enterprises with annual revenues less than \$1 million per
20 annum.”²⁴ SDG&E supports diverse participation in workforce education and training efforts.
21 Setting restrictions on the partnerships SDG&E enters into will limit the flexibility needed to
22 ensure program strategic objectives are met.

23 **G.SERVICE TO MULTI-FAMILY DWELLINGS**

24 To serve the needs of customers who reside in multifamily dwellings, SDG&E proposes
25 to pursue an integrated approach that will allow the utilities to better serve customers living in
26 multifamily residents. The ESA Program plans to coordinate efforts with core EE programs
27 targeted toward treating multi-family properties in accordance with ESA Program and EUC
28 guidelines.

²⁴ Testimony of Joint Parties at p.15.

1 In testimony, NCLC/NHLP/CHPC make several recommendations regarding serving the
2 multi-family market segment, specifically recommending 1) the removal of housing subsidies as
3 a source of income in determining incoming eligibility in ESA Program, 2) utilization of the list
4 of income-eligible buildings developed by HUD for use in the weatherization assistance program
5 (“WAP”)” as a means to qualify customers under ESA Program, 3) adoption of a “whole-
6 building performance-based approach” to serving multifamily dwellings by allowing ESA
7 Program to replace heating and hot water systems to renters, and 4) the requirement that the
8 IOUs to offer a single point of contact to building owners and managers.²⁵ SDG&E raises its
9 concerns and objections to the first three recommendations throughout this rebuttal testimony.
10 Regarding recommendation 4, SDG&E is supportive of providing building owners and managers
11 a single point of contact that would offer a menu of IOU programs that are available to serve
12 multi-family dwelling units including ESA Program, EUC, Whole House Moderate Income
13 Direct Install (“MIDI”) and other energy efficiency programs. The single point of contact would
14 facilitate participation in these programs through an integrated approach that would encourage
15 greater participation in energy savings opportunities.

16 NCLC/NHLP/CHPC recommends that ESA Program adopt a whole building approach
17 including the servicing of common areas in multi-family complexes and provides examples how
18 individual tenants can benefit from the improvements to common areas similar to those adopted
19 by DOE for its WAP program.²⁶ These include:

- 20 • Longer term preservation of the property as affordable housing;
- 21 • Continuation of protection against rate increases beyond that required
22 under the WAP regulations (10 CFR 440.22 (b) (3) (ii))
- 23 • Investment of the energy savings in facilities or services that offer
24 measurable direct benefits to tenants;
- 25 • Investment of the energy savings from the weatherization work in specific
26 health and safety improvements to heat and hot water distribution and ventilation, to
27 improve the comfort of residents
- 28 • Establishment of shared savings programs.

²⁵ Testimony of Matt Schwartz on Behalf of National Consumer Law Center, National Housing Law Project and California Housing Partnership corporation at, p. MS-11

²⁶ Testimony of Wayne Waite on Behalf of NCLC/NHLP/CHPC at p. WW C-4

1 In response, CSD, the agency responsible for administering the WAP program in
2 California implemented the following requirements for multi-family landlords as a condition of
3 receiving WAP assistance:

- 4 • Agree that rents will not be increased for a minimum period (for example
5 1 or more years) after completion of the weatherization work;
- 6 • Invest in energy savings in facilities or services that offer a measurable,
7 direct benefit to tenants;
- 8 • Establish a shared savings program where aggregate energy savings are
9 shared with the tenants; or
- 10 • Ensure that the property is preserved as affordable housing for a longer
11 term than would be the case in the absence of the weatherization work and owner
12 agreement.

13 Simply, it is not practical for a utility to establish similar requirements from multi-family
14 property owners. What NCLC/NHLP/CHPC fails to recognize is that energy utilities have no
15 authority to enforce multi-family property owners to comply with these requirements and there is
16 currently no recourse a utility can take should a property owner fail to comply with these
17 requirements.

18 NCLC/NHLP/CHPC also fails to explain why SDG&E's plans to serve the common
19 areas of ESA Program qualified multi-family complexes through its integration with the energy
20 efficiency program's EUC is inferior to its proposal to use ESA Program funds for this activity.
21 Therefore, SDG&E asks the Commission to reject NCLC/NHLP/CHPC proposal to use ESA
22 Program funds to serve ESA Program qualified multi-family common areas, and to adopt
23 SDG&E's proposal to serve ESA Program qualified multi-family common areas through the
24 integrated efforts between its ESA Program and EUC programs.

25 **H. PROGRAM WORKING GROUP**

26 The Natural Resource Defense Council ("NRDC") recommends that the Commission
27 establish a program working group to advise on technical implementation issues, mid-cycle
28 corrections, best practices, and new cost-effectiveness framework. SDG&E supports NRDC
29 recommendation but would recommend that the Program Working Group be an independent
30 entity apart from the Low Income Oversight Board. As mentioned earlier, the working group

1 should be comprised of representatives from each IOU, Energy Division Representatives, and
2 consumer and industry representatives.

3 Several parties support the resurrection of the standardization team. NRDC also
4 suggest that the program working group operate as a subcommittee of the LIOB.²⁷ However,
5 making it a subcommittee to the LIOB may be problematic because it could slow down the
6 team's ability to make changes timely because 1) the LIOB only meets on a quarterly basis
7 and 2) the LIOB can only advise the Commission on issues but cannot make any decisions to
8 make changes. We should instead continue to use the regulatory process to submit
9 recommended program and standards changes more expeditiously. EEC recommends
10 making changes to the current P&P Manual effective January 1, 2012, before the
11 Commission makes a final determination in this proceeding²⁸. SDG&E believes that it would
12 be problematic to make any revisions to the P&P Manual until such time that the
13 Commission has rendered a decision on the IOUs low income applications.

14 **I. PILOTS/STUDIES**

15 **1. Proposed Pilots & Studies but No Pilot Implementation Plan** 16 **“PIP” and Pilot Evaluation Plans (PEP) Submitted in Testimony** 17 **Contrary to Commission Directives**

18 Several parties propose in their testimony that utilities should be required to implement
19 their recommended pilot programs but several of them failed to submit PIP as required by the
20 Assigned ALJ's November 9th 2010 Ruling.²⁹ Without any Pilot Implementation Plan or Pilot
21 Evaluation Plan, the Commission and parties are unable to adequately review the proposed
22 pilots, the cost impacts, and the feasibility of implementing the pilot proposal. Therefore; the
23 Commission should find these pilot proposals to be deficient and should reject them because
24 these parties did not comply with the ALJ's directive.

25 **2. OPower**

26 In its testimony, OPower proposed that a statewide pilot to provide behavior-based
27 reports to low-income customers. SDG&E has some concerns with the size of the pilot, the

²⁷ Testimony of NRDC at p.7.

²⁸ Testimony of EEC at p.5.

²⁹ Testimony of TURN at p.16 and Testimony of SF Power at p.15.

1 budget requested for the pilot and the inability to provide in-language reports to customers. In
2 response to OPower’s proposal, SDG&E suggests that the Commission forestall any action until
3 the results of the Commission’s evaluation of the current SDG&E and PG&E OPower pilots can
4 be reviewed and assessed.

5 3. Multi-Family Pilots

6 Several parties provide recommendations on how to serve the multi-family segment.
7 NRDC requests the Commission to authorize a pilot to serve the needs of customers residing in
8 multi-family units. The Utility Reform Network (TURN”) recommends that the pilots should
9 focus on integration of ESA Program, MIDI and the EUC and have a single-point of contact.
10 TELACU proposes a full scale multi-family pilot, which appears to be similar to SDG&E’s
11 proposed integration with its energy efficiency program’s EUC and MIDI. SDG&E agrees that
12 focus should be given to multi-family housing, SDG&E does have some concerns regarding
13 TELACU’s proposal.

14 The number of buildings and units targeted for SDG&E is too large. SDG&E is one-fifth
15 the size of PG&E but the program targets are similar. This is not the appropriate avenue to
16 request funding for the EUC program. SDG&E agrees with the pilot concept but believes it is
17 more appropriate to be implemented through the integration efforts of ESA Program, the MIDI,
18 the Multi-Family Rebate program and the EUC program instead of creating another program that
19 will cause customer confusion. For these reasons, the Commission should reject TELACU’s
20 proposal.

21 If the Commission authorizes these pilots, a competitive bid process should be
22 implemented before the contracts are awarded.

24 IV. CONCLUSION

25 For the reasons cited in this Reply Testimony, SDG&E requests that the Commission:

- 26 • Approve its calculation of unwilling and ineligible customers.
- 27 • Approve its request to integrate with energy efficiency programs targeted
28 toward multi-family segment.
- 29 • Approve the request to modify the cost effectiveness and measure
30 assessment methodologies for the PY2015-2017 program cycle and beyond.

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- Reject the proposal to rerun the cost-effectiveness and analyses for the PY2012-2014 application using different energy saving estimates, installation quantities, escalation rates, or other parameters.

1 **STATEMENT OF QUALIFICATIONS**

2 **SANDRA WILLIAMS**

3
4 My name is Sandra Williams. My business address is 8326 Century Park Court,
5 San Diego, California, 92123. I am employed at SDG&E as the Customer Assistance Programs
6 Manager. My principal responsibilities are to manage SDG&E's Energy Savings Assistance
7 Program, CARE, and Medical Baseline programs.

8 I joined SDG&E in 1994 and have held numerous positions of increasing
9 responsibility in the following areas over the last 17 years: Customer Service, Energy Efficiency
10 (Residential, Commercial/Industrial and New Construction), Demand Response (Residential and
11 Commercial/Industrial) and Customer Assistance. I was responsible for all aspects of program
12 management including program planning, design, implementation and marketing

13 From 2002 through 2004, I was responsible for managing the Residential
14 Segment for both SDG&E and SDG&E.

15 I have been continuously involved with the Customer Assistance programs since
16 September, 2010 and have managed other customer assistance programs for SDG&E, including
17 the Neighbor to Neighbor fund and the Low Income Home Energy Assistance Program which is
18 federally-funded bill assistance program administered by the Department of Community
19 Services.

20 I have not previously testified before the Commission.
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